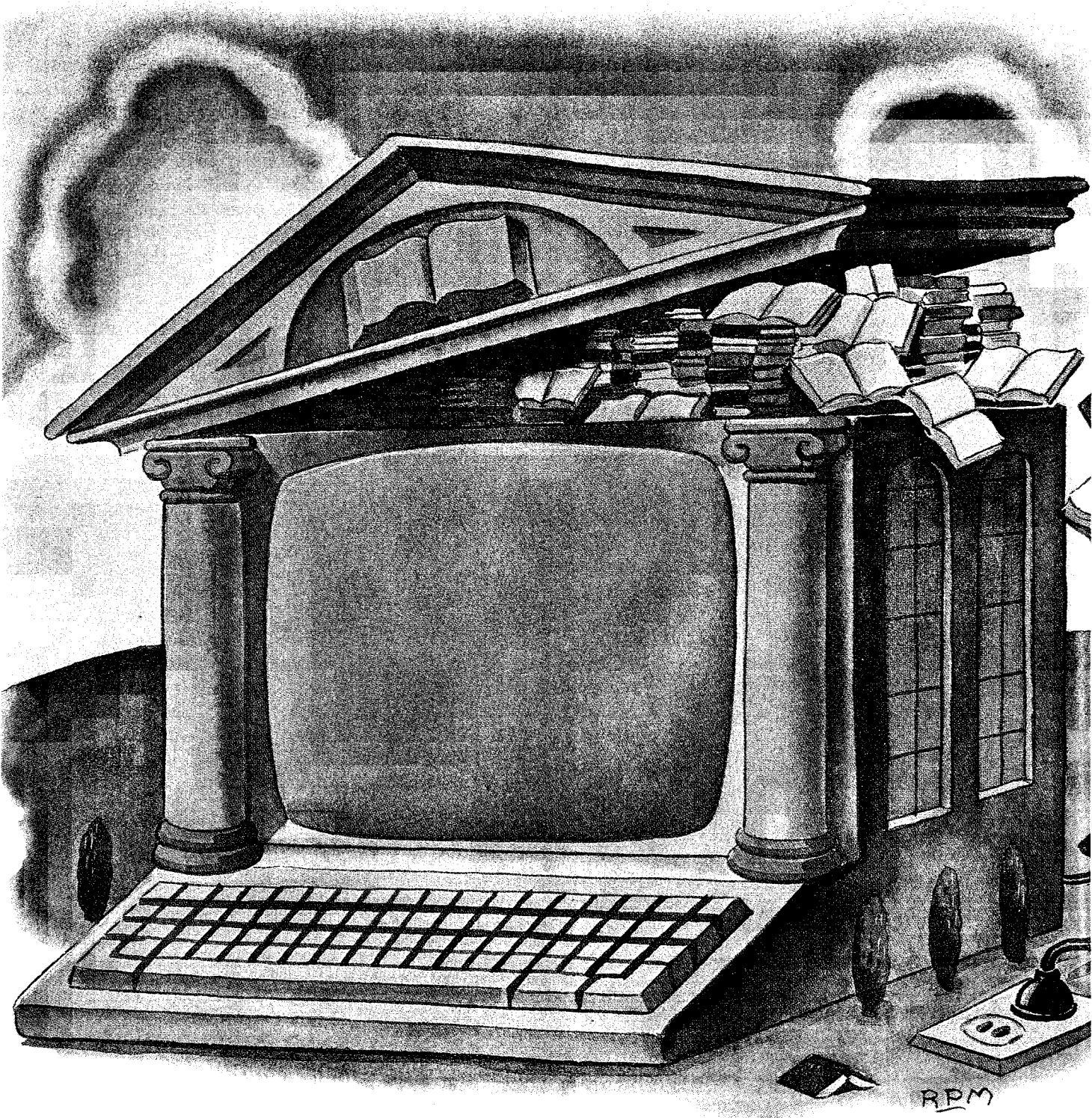




ONLINE INTELLIGENCE

A library full of competitive information lies at your fingertips

We've heard it all before. The information industry has promised us a future that sounds like this: *You arrive in the office in the morning, and instantly scan a list of all the articles that your computer "clipped" for you overnight from the press and wire services. You see that ABC Company is bringing a new widget to market. Instantly, you log onto a database, do a search on ABC Company and discover an article in Advertising Age describing ABC's marketing plans for the new product. Picking up the phone, you dial your marketing director and request a meeting later this morning to discuss how your organization can respond to this new competitive threat . . .*

The reality is very different. It is an acknowledged fact, even within the information industry, that there are few executives who really know how to look for information online. Most organizations that do make effective use of online information, do so through a corporate library.

Despite the fact that the online information industry is more than 30 years old, has spent millions of dollars in marketing and training, and has a massive base of information available, there are few people with even a faint idea of the range of information that can be accessed.

What went wrong? Simply put, information services have not been easy to use. A newcomer is faced with a complex world involving terms like "boolean logic," "keyword phrases" and "indexing," and an even more complex series of commands to search and display information.

Despite the complexities, executives who have taken the time to learn how to search online are astounded at the quantity of information they can reach. By merely knowing the name of a company they can call up financial and operating information, quickly scan all reports in the media concerning its activities, review its trademarks, discover information about its line of business and find the name of key operating

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officers. Executives who have discovered this capability are finding that they have an edge in today's competitive marketplace. As Thomas Hobbes said: "Knowledge is power."

Think of the electronic information world as a library, with each shelf containing corporate financial and legal information, legislative and government-oriented services, news, magazine and journal archives, up-to-the-minute news wires, trademark summaries and statistical information. In a few seconds online, you can search so much information in electronic form that it would be comparable to searching a warehouse full of paper documents.

All it takes is a personal computer, a modem and communications software (to let your computer talk to the online database). Add to this a willingness to learn, and to spend some money. Subscriptions for some services cost up to a couple of hundred dollars annually. Once online, you can expect to pay anywhere from a few dollars to upwards of a few hundred dollars an hour while searching. If you compare those charges to the cost of traditional methods of looking for information, however, the opportunities for savings become apparent. Figure in the strategic advantage, and the investment becomes well worth it.

The range and types of electronic information

available boggle the mind. In the Canadian Infomart service, for example, you can browse electronically through 25 Canadian newspapers. Dialog, one of the large US-based "super services," provides you with access to the full text and summaries of articles from literally thousands of magazines, newspapers, journals, conference proceedings, and other information from around the world. Electronically, you can reach publications as diverse as *Amusement Business*, *Adhesive Age*, the *New Mexico Business Journal*, *Pulp and Paper Journal* or *Yachting Magazine*.

Competitive intelligence has gained attention as a means by which companies can respond quickly and effectively to changes in the marketplace. The term suggests an image of corporate sleuths searching trash cans. The truth is that a surprising amount of corporate financial information can be found online.

Electronically available information ranges in sophistication from simple financial reports on small companies, to full 10-Q and 10-K quarterly and annual filings from the US Securities and Exchange Commission. Obviously, the larger the company, the more information that will be available online.

CHOOSING A DATABASE

Some online databases provide access to such significant amounts of information, that with one or two subscriptions you can find most of what you need. When choosing a database, look for one that has most of the information you need now and might need in the future. Ask if the database vendor offers a comprehensive training program and regular help lines. Most do. Several offer "menu systems" that make it easier for a novice to learn how to search.

Several services charge a minimum monthly fee, while others have a hefty up-front subscription charge. Pricing for use can vary dramatically from service to service and there is usually a cost for manuals. Be prepared to do some detailed comparisons to determine which database is right for you. Keep in mind that it will be less expensive to access most of those services at night

when rates are lower.

It is also important to realize that any single publication or piece of information might be available in a number of databases. For example, the *Financial Post* can be found in Southam's Infomart database, in the Reuters Textline database and within the US service Nexis. The cost is different in each case. As well, some entire databases are available through others. The contents of Reuters Textline will soon be available on Dialog, and both Infomart and Globe Information Services provide access to the Dow Jones News Service.

The following is a list of the key information databases available. The descriptions provide an idea of some, but not all, of the types of information available, because of the breadth of these databases.

Canadian vendors

CTOnline

Provides recent tax news, as well as the full text of tax cases from the Supreme, Federal and Tax Courts, as well as the federal Income Tax Act and much more. A companion legal research tool, Canadian Law Online, contains digested case law and judicial treatment information from 1803 to the present. Contact Carswell Electronic Publishing, 2075 Kennedy Rd., Scarborough, Ont., M1T 3V4; (800) 363-3783 or (416) 609-0451.

Globe Information Services

Includes access to the full text of the *Globe & Mail* since 1977. Also includes Canadian Financial Databases, and Corporate Canada Online, with detailed financial statements and corporate histories of major private and public companies. Provides daily term deposit, RRSP and mortgage rates from Cannex Financial Exchanges Ltd., as well as MarketScan, with historical prices for North American equity, index, bond, stock and options markets. Key

Government Documents includes press releases directly from the federal government, a database concerning the status of federal bills, and Revenue Canada Taxation documents. Contact Globe Information Services, 444 Front St. W., Toronto, M5V 2S9; (416) 585-5250.

Infomart Online

Infomart covers major Canadian newspapers, including the *Financial Post*, *Toronto Star*, *Financial Times*, *Ottawa Citizen*, *Calgary Herald*, *Halifax Daily News* and *Vancouver Sun*, and, in French, *Le Droit*, *La Presse*, *Le Journal de Montréal*, *Le Devoir* and *Le Journal de Québec*. News wires include Canada News-wire, Canadian Press's news wire and business information wire and the Presse Canadienne wire. Infomart also includes access to the STM Insight service, which provides access to the Bankruptcy File, the Canadian Federal Corporations and Directors database, the Intercorporate Ownership database, Canadian Corporate Names, Canadian Trade Index and information from the

There is a substantial amount of Canadian data available. From one Infomart database, you can obtain information on 225,000 federally incorporated companies, including the names and addresses of directors. Details of intercorporate ownership can be examined through a database accumulated from the filing of documents under the Corporation and Labour Unions Return Act. The Canadian Bankruptcy file provides details of more than 215,000 individual and corporate bankruptcies.

At Air Canada, Manager of Corporate Strategy Mike Detlefsen finds his custom-built database access program complements information that he already receives from the investment community in hard copy, and, in some cases, the database is a better source. "In the case of one company, I was able to retrieve their financial statements more quickly and at a lower cost than if I had obtained them through the traditional means."

Online corporate directories can also be used for simple marketing activities. Leif Holmvall, president of Holmvall International Trading, a small Toronto-based import/export agent, helps Scandinavian companies establish markets in North America. This includes helping them find sales opportunities and distributor channels. Holmvall says this was once

cumbersome work: "Before we began to use online services, we used to call telephone operators in the area where we needed to locate companies. This was tremendously inefficient, took a long time, and often brought poor results." Armed with a book of Standard Industrial Classification (SIC) Codes, he now uses several corporate directories within the Dialog service to quickly obtain lists of companies within an industry. His searches can be "qualified," to obtain only those companies with a minimum sales volume or a maximum number of employees, or only those within a certain city, province or state.

"I am now at the point that if I want a listing of all pipe distributors in the state of Nevada, I can get such a list in seconds."

It's not just the financial and corporate databases that contain useful competitive intelligence. Newspaper and magazine archives often contain the greatest wealth of industry information. If you need to find background information on a plastics company, you might find it online in an array of publications including *Plastics News*, *Plastics Technology*, *Plastics World*, *Polymers and Rubber Asia*, *Plastics Business News* and *Plastics Engineering*, or perhaps *British Plastics and Rubber*, *High Performance Plastics*, *Japanese New Materials*, *Advanced Plastics*, and *Rubber and Plastics World*.

Trade Marks Opposition Board. Contact Infomart, 1450 Don Mills Rd., Don Mills, Ont., M3B 2X7; (416) 442-2198 or (800) 668-9215.

Quicklaw

Canada's main legal information database. Includes access to nationwide court decisions and statutes. As well, Quicklaw includes a taxation database consisting of the GST Electronic Information Service, tax cases and legislation, Income Tax Act and Income Tax Application Rules, Tax Interpretation Bulletins, etc. Contact QL Systems Limited, P.O. Box 20 80, One Gore St., Kingston, Ont., K7L 5J8; (613) 549-4611.

Services Documentaires Multimedia (SDM) Inc.

This Montreal-based producer and vendor of French-language documentary databases includes REPERE, an index of articles from more than 300 widely read periodicals and a directory of Quebec government publications. Contact SDM, 1685 Fleury St. E., Montreal, H2C 1T1; (514) 382-0 895.

US/International vendors

Dialog

Dialog is sometimes referred to as an information supermarket, with a massive amount of data available in one service. It includes access to more than 600 databases, including Marketing and Advertising Reference Service, ABI/Inform, Trade & Industry ASAP, and others. Each of these includes indexes or the full text of several thousand magazines and newspapers. Dialog also provides access to corporate databases, and specialized chemical, medical, environmental and scientific services round out the offering. Contact Micromedia, 20 Victoria St., Toronto, M5C 2N8; (416) 362-5211.

Dow Jones News Retrieval

Dow Jones is thought of primarily as an investment database, but it has been expanding its information sources beyond the investment focus for some time.

It offers access to the full text of the *Wall Street Journal*, *Barron's*, *Forbes*, and other popular business publications. Also provides access to regional and national business publications and newspapers, as well as the Dow Jones News Service. Contact Dow Jones & Company Inc., P.O. Box 300, Princeton, NJ, 0 8543-0300; (609) 452-1511.

Lexis/Nexis

Most US case law, legislation and related legal information can be found on Lexis, including tax law. The service also includes Nexis, the news-oriented service, which includes a substantial number of full text magazine, newspaper and reference databases. Also included is an extensive number of corporate sources of information from the US and around the world. Nexis has organized a number of industry-specific databases, consisting of different sources of information, to permit a broad search by particular industries or topics. Contact Mead Data Central, 130 Adelaide St. W., Ste. 2060, Toronto, M5H 3P5; (800) 387-9854.

Questel Inc.

A service specializing in French language databases, including the Agence France Presse news wire, international trademark and patent databases, and an index of articles from more than 4,500 international publications. Contact Questel Inc., 2300 Clarendon Blvd., Ste. 1111, Arlington, VA 22201; (703) 527-7501.

Reuters

Reuters Textline provides access to news and comment from more than 2,000 international newspapers, magazines and news wires. Reuters provides a number of statistical databases, including bonds, equities, options, foreign exchange rates, mutual funds and futures from around the world. Contact Reuters Information Services (Canada) Ltd., 121 King St. W., 20th floor, Toronto, M5H 3T9; (416) 941-8000.

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Gary Bennett, vice-president of business development at Industrial Bank of Japan (Canada) in Toronto, for example, uses online services to perform an analysis before the bank gets involved with a given industry. Recently, he needed to review operating trends within the cable television industry. He used Infomart to find specific information on Canadian cable companies, and found Dow Jones News Retrieval invaluable for an in-depth analysis of the industry. He learned the key players, the size of the industry, and the size of the main companies within it. "I also used the services to find the names of industry spokesmen, not only to get an idea of what those spokesmen have to say about the industry, but also how to contact them."

At Air Canada, Detlefsen regularly uses online services to do background research on various aspects of the airline industry. "When there is an event of significance in the industry, I collect all references to it to gain a better understanding of its implications. The online databases have become indispensable to keeping me informed."

Industry research has become so important that there are now entire databases that specialize in pulling together information from diverse sources on specific industries. The Nexis service, one of the world's largest database services (see "Choosing a database," p. 28), groups more than 40 full text sources into its banking file, while the Marketing and Advertising Research Service (MARS) — available on several databases including Nexis — brings together more than 100 specialized publications on those topics.

Regional and national newspapers and business publications are another important source of competitive intelligence. Interested in companies in Kansas City? The *Kansas Business News*, *Kansas City Business Journal* and the *Kansas City Star* are all available in electronic form.

Carrying the concept of competitive intelligence one step further, you can use databases of trademark information to review potential activities of your competitors, while scholastic journals, specialized industry databases and services that summarize conference proceedings can tell you where a company might be investing its R&D money. Imagine finding a report of a conference presentation by your competition concerning a new manufacturing process it is developing!

Gary Bennett finds it extremely useful to search for detailed information on companies before the bank deals with them as clients. He will review every major article published about the company in the past two years, in order to better understand the key issues facing the company. "By doing this type of review, I have a better qualified market, and better information on doing business with that customer."

At Weaver Tanner & Miller International, a public relations firm in Kitchener, Ontario, General Manager Terry Flynn says he uses online services as a

market research service for his clients, by monitoring their US competition. "Effective monitoring has become particularly important with the advent of free trade. Recently, we had a client that had heard that a major US competitor was involved in some type of acquisition, but the client couldn't get any details. Within half an hour, we had reviewed the Disclosure database and other services and found the news release on the acquisition. So rather than sitting back and listening to the speculation and rumour, our client was able to quickly confirm the strategy of their competitor, and act accordingly."

Are public accounting practices making effective use of information services? If they are, they're hiding it well. Don Jewell, a partner in KPMG Peat Marwick Thorne's Vancouver office, seems to be an exception. For more than five years, Jewell has been using the Infomart service and Globe Information Services to track all major Canadian newspapers and the *Wall Street Journal* for any mention of his key clients or the industries in which they operate.

He's had some interesting results. "I had one situation, where a story was found in the *Wall Street Journal*, concerning the poor results in the North American operations of a certain competitor to my client. A price war was under way. I passed the article on that morning to the client's CEO, who then realized that the price war was Canadian management's decision and not a directive from the competitor's foreign head office. The client's strategy changed with that piece of information. Without that type of news tracking, I wouldn't have been that instrumental in helping one of my clients. I find I can provide a new level of service that I could not before."

The easy-to-use information services are slowly gaining more acceptance within the profession. At Price Waterhouse, a product from Reuters called FinLink is used for the valuation of stocks, bonds, money market funds and other financial instruments, as part of the audit verification process. Bryan Houston, a senior manager in PW's Toronto audit group, says his experience has been that "all staff levels can learn how to use the product in about an hour."

One of the most popular online services used by accountants has to be the GST database from Revenue Canada. Ian Macdonald, tax manager with Cheney, Glenn & Graydon, of Oakville, Ontario, found that a major issue for clients last January and February was the GST's effect on taxable benefits. Through the Revenue Canada database, he reviewed the various situations pertaining to that topic, and was able to obtain a synopsis of the Revenue Canada position with minimal effort.

Macdonald also uses CTOOnline, the tax service of Thomson Professional Publishing, in a variety of ways. At least once a week, usually on Monday morning, he obtains a listing of tax news and case summaries through the service. "For a couple of dollars, we can get all the news of the past week for tax

and GST issues. However, for case searches, we're not using it as much as we probably should. The main problem is trying to come up with the best keywords to assist in finding the information."

It is, however, cost effective, Macdonald says. "If you happen to incur a search fee of \$25, that's minimal compared to a professional's time to search case indexes."

John Palmer, deputy chairman and managing partner of KPMG Peat Marwick Thorne, believes use of online databases in public practice is set for growth. "Timely access to public and proprietary databases will be increasingly important to the effectiveness of the CA practitioner. Ever more frequently, this access will have to be online from the personal computer of the CA so that the information can be quickly reviewed, analysed and double-checked, before being incorporated into the professional product."

Does this mean CAs should be picking up database skills now? "The CA will have to be comfortable in working with a variety of database information," Palmer says. "Different databases will meet different needs. Obviously some of the database searches can be delegated, but not all. Within Peat Marwick Thorne we are working to equip our professionals with technology which makes it easier for the CA to access relevant information sources and incorporate the results in our professional work. This improves the quality of our service."

You do have to invest the time to learn how to use an online service to take advantage of the information available. Recognizing that there will be many people who won't use these services, the industry has begun to adopt a strategy that says: "If you won't come and get the information from us, we'll send it to you." Hence was born newsclipping, a product of the evolving information industry.

In the corporate office of George Weston Limited, one of Canada's largest companies, an executive information system has been used for many years as a means of providing information concerning Weston's corporate results. This is one system with a difference: Each morning, the system is automatically loaded with news stories concerning companies within the Weston group, information on key competitors, and articles concerning the industries in which George Weston operates. By using the Infomart Custom-search product, Weston electronically "clips" such sources as the *Globe & Mail*, *Financial Post*, and other Canadian publications, as well as the *Wall Street Journal*. Well before the executives arrive for the day, the computer has retrieved the day's relevant news and loaded it into the executive information system.

Royal Trust in Toronto electronically clips not only Canadian newspapers, but also the popular *American Banker* publication. The material is available to more than 100 people through the firm's executive information system daily. *American Banker*, a concise document describing key events throughout the worldwide banking community in the previous 24 hours, is a "must read" for most banking executives. Royal Trust is

bringing it to the desk of its executives several days earlier than its competitors get it, meaning that they can respond much more quickly to emerging issues. Setting up this application was relatively complex for Royal Trust, since some publications are reluctant to permit electronic newsclipping, even when their information is already stored on a database. In the case of *American Banker*, Royal Trust worked with Micro-media, the Canadian representative for the world's largest database, Dialog, to iron out the technical, copyright and licensing issues for electronic distribution.

Weston and Royal Trust are unusual, however, in their effective use of the information available to them. The information industry realizes it must work to change that. Reva Basch, the President of Aubergine Information Services of Berkeley, California, an internationally known spokesperson for users of online services, says database vendors "have been trying to make searching easier for years, but most of their attempts have been misguided or, at best, just partially successful. Recently, though, information providers have begun to realize that if they're going to reach executives, they must abandon a lot of their old and often faulty assumptions. They're starting to invest time, effort and significant capital in both front-end and behind-the-scenes enhancements that, if done properly, will help make electronic information retrieval a much more intuitive and appealing process."

Technologies such as CD-ROMs — similar to home compact disks but capable of holding thousands of pieces of information for retrieval through a PC — extend the concept of searching, by providing companies with information in a form that can be accessed without having to dial outside the company. There is an increasing integration of internal technology with external information sources as evidenced by electronic mail, executive information systems like Weston's, and "groupware" for sharing information among international branches of an organization. There is also an expectation that the information industry will start to release retrieval software based on a graphic user interface (GUI) environment, providing easy-to-use front ends that will eliminate many of the current problems.

As for the practical benefits of information services today, Leif Holmvall notes, "I've found that I can now offer services to companies that I could not before. I find that my name is getting around Sweden a little bit more, as an innovative and particularly effective North American representative. As a result, online information searching has had a tremendous impact on my business."

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